

IN THE MATTER OF THE SECURITIES ACT
R.S.N.S. 1989, CHAPTER 418, AS AMENDED (“Act”)

- AND -

IN THE MATTER OF LIVE SHIP LTD. (the “Respondent”)

ORDER

(Sections 134, 135, 135A)

WHEREAS on February 5, 2024 the Nova Scotia Securities Commission (the “Commission”) issued a Notice of Hearing to the Respondent pursuant to Sections 134, 135 and 135A of the Act;

AND WHEREAS the Respondent entered into a settlement agreement with the Director of Enforcement for the Commission, whereby it agreed to a proposed settlement of the proceeding, subject to the approval of the Commission;

AND WHEREAS the Director of Enforcement and the Respondent recommended approval of the settlement agreement;

AND WHEREAS the Commission is of the opinion that the Respondent has contravened Nova Scotia securities laws and it is in the public interest to make this Order;

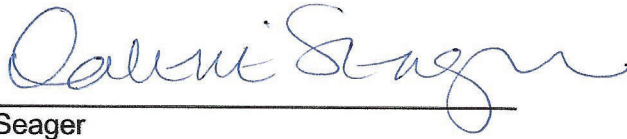
AND UPON reviewing the settlement agreement and the Notice of Hearing, and upon hearing submissions of counsel for the Director of Enforcement and the Respondent;

IT IS HEREBY ORDERED, pursuant to Sections 134, 135 and 135A of the Act, that:

1. the settlement agreement dated January 30, 2024, a copy of which is attached, is approved;
2. pursuant to Section 134(h) of the Act, the Respondent is reprimanded;
3. pursuant to Section 134(1)(a) of the Act, the Respondent shall comply with, and cease contravening Nova Scotia securities laws;
4. pursuant to Section 135 of the Act, the Respondent shall pay an administrative penalty in the amount of Five Thousand dollars (\$5,000.00) forthwith; and
5. pursuant to Section 135A of the Act, the Respondent shall pay costs in connection with the investigation and conduct of the proceedings before the Commission in the amount of Five Hundred dollars (\$500.00) forthwith.

DATED at Halifax, Nova Scotia, this 27th day of February, 2024.

NOVA SCOTIA SECURITIES COMMISSION

A handwritten signature in blue ink, appearing to read "Valerie Seager", written over a horizontal line.

Valerie Seager
Chair

John Maxwell

DATED at Halifax, Nova Scotia, this 27th day of February, 2024.

NOVA SCOTIA SECURITIES COMMISSION

Valerie Seager
Chair



John Maxwell

IN THE MATTER OF THE SECURITIES ACT
R.S.N.S. 1989, CHAPTER 418, AS AMENDED (the "Act")

- AND -

IN THE MATTER OF LIVE SHIP LTD. [the "Respondent"]

SETTLEMENT AGREEMENT

PART I – INTRODUCTION

1. The parties to this Settlement Agreement ("**Agreement**") are the Respondent, Live Ship Ltd. (the "**Respondent**" or "**Live Ship**") and the Director of Enforcement for the Nova Scotia Securities Commission (the "**Director of Enforcement**").
2. The parties agree that the Nova Scotia Securities Commission (the "**Commission**") has jurisdiction over this matter.
3. The parties agree to recommend to the Commission approval of this Agreement in accordance with the terms and process set out herein.

PART II – PROCEDURE FOR APPROVAL OF THE AGREEMENT

4. The Director of Enforcement agrees to request that a Notice of Hearing be issued setting down a hearing ("**Settlement Hearing**") wherein the Commission will consider whether it is in the public interest to approve this Agreement and to issue an Order in the form attached hereto as Schedule "A".
5. The parties agree that this Agreement constitutes the entirety of evidence to be submitted to the Commission at the Settlement Hearing.
6. The Director of Enforcement agrees to recommend that the allegations acknowledged and admitted by the Respondent be resolved and disposed of in accordance with this Agreement.
7. The Parties acknowledge that this Agreement will become a public document upon its approval by the Commission at the Settlement Hearing.

PART III – STATEMENT OF AGREED FACTS

Acknowledgment

8. The Director of Enforcement and the Respondent agree with the facts and conclusions set out in this Part of the Agreement.

The Respondent

9. The Respondent is a body corporate, incorporated pursuant to the laws of Nova Scotia with a registered office at 440 Keltic Drive, Sydney, Nova Scotia.
10. At all material times, the Respondent was a Community Economic Development Corporation ("**CEDC**") under the *Equity Tax Credit Act*, SNS 1993, c. 3 (the "**ETCA**").
11. Between February and May of 2018, the Respondent, while operating as a CEDC, raised capital in the amount of \$985,532.00 by distributing shares of Live Ship to approximately 103 Nova Scotian investors (the "**Security Holders**").

The Respondent's Offering

12. On October 20, 2017, the Respondent was issued a certificate of registration under the ETCA with a lapse date of February 28, 2018. The Respondent subsequently received a new certificate of registration extending the lapse date to May 29, 2018.
13. On or about February 1, 2018, the Respondent filed its final offering document with the Commission (the "**Offering Document**"). The Respondent received the Executive Director's non-objection to the offering on or about February 7, 2018.
14. As required by the *Community Economic Development Corporation Regulations*, NS Reg 168/2011 (the "**Regulations**"), paragraph 56(a) of the Offering Document filed by the Respondent states:

56. (a) *The Issuer will file with the Nova Scotia Securities Commission and send to Security holders annual financial statements and semi-annual interim financial statements as required by the CEDC Regulations.*

[emphasis in original]

Non-Compliant Use of Promotional Materials

15. On or about December 1, 2022, Enforcement Staff of the Commission ("**Enforcement Staff**") received a complaint from an investor concerning the Respondent and commenced an investigation.
16. As a result of the investigation, it was discovered that the Respondent had repeatedly promoted its offering publicly on Facebook and on its website (www.liveship.ca) throughout January of 2017 and February of 2018.
17. The promotional materials were distributed both before and after issuance of the Executive Director's non-objection to the offering.
18. The promotional materials used by the Respondent did not comply with the conditions mandated by Blanket Order No. 45-523. More specifically:

(a) the promotional materials made representations regarding annual dividends for shareholders, which is not permitted under Blanket Order No. 45-523;

- (b) the Respondent did not file copies of the promotional materials with the Executive Director of the Commission (the "**Executive Director**") after their use in non-compliance with Blanket Order No. 45-523;
 - (c) the promotional materials posted on the website remained available and accessible to the public after the latest permitted closing date of the offering in non-compliance with Blanket Order No. 45-523; and
 - (d) the promotional materials did not contain an endorsement of a director, officer, or promoter of the CEDC evidencing approval of the promotional materials as required by Blanket Order No. 45-523.
19. As a result of non-compliance with the conditions of Blanket Order No. 45-523, the promotional materials that were made available, used, and distributed by the Respondent were not exempt from the requirements contained in Sections 8(2) and 15(3) of the Regulations.
20. The Respondent neither requested nor obtained a written non-objection from the Executive Director prior to making available, using, and distributing the non-exempt promotional materials in violation of Sections 8(2) and 15(3) of the Regulations.

Failure to Distribute Financial Statements to Shareholders

21. On or about October 17, 2023, the Respondent delivered written correspondence to Enforcement Staff in which the Respondent admitted that it had never delivered annual or interim semi-annual financial statements to its security holders in violation of Section 22 of the Regulations, Part 4.6 of National Instrument 51-102 – *Continuous Disclosure Obligations* ("**National Instrument 51-102**"), and Blanket Order No. 51-504.

Violations of Nova Scotia Securities Laws

22. By making available, using, and distributing non-compliant promotional materials prior to the issuance of non-objection to the offering without first obtaining written non-objection to the promotional materials from the Executive Director, the Respondent violated Section 8(2) of the Regulations and Blanket Order No. 45-523.
23. By making available, using, and distributing non-compliant promotional materials after the issuance of non-objection to the offering without first obtaining written non-objection to the promotional materials from the Executive Director, the Respondent violated Section 15(3) of the Regulations and Blanket Order No. 45-523.
24. By failing to deliver copies of its annual financial statements and interim financial statements to the Security Holders, the Respondent violated Section 22 of the Regulations, Section 4.6 of National Instrument 51-102, and Blanket Order No. 51-504.
25. The Respondent's conduct was contrary to the public interest.

PART IV – STATEMENT OF ALLEGATIONS ACKNOWLEDGED AND ADMITTED BY THE RESPONDENT

26. The Respondent admits the facts set forth in Part III herein and acknowledges that it violated Nova Scotia securities laws.
27. The Respondent acknowledges and admits that it violated Sections 8(2) and 15(3) of the Regulations, Part 4.6 of National Instrument 51-102, Blanket Order No. 45-523, and Blanket Order No. 51-104.
28. The Respondent acknowledges and admits that its actions were contrary to the public interest.

PART V - MITIGATING FACTORS

29. The Respondent requests that the settlement Hearing Panel consider the following mitigating circumstances:
 - a) The Respondent acknowledges and accepts responsibility for its conduct, which is the subject matter of this Agreement.
 - b) The Respondent fully cooperated with Enforcement Staff's investigation of this matter.
 - c) The Respondent has no past record of violations of Nova Scotia securities laws.
 - d) The Respondent's breaches were not deliberate.
 - e) The Respondent states that at all relevant times, it was unaware that its conduct was non-compliant with Nova Scotia securities laws.
 - f) There is no evidence or allegation that any investor was harmed as a result of the breaches described herein.

PART VI – TERMS OF SETTLEMENT

30. The terms of settlement are set forth in the Order contained in Schedule "A" to this Agreement which is expressly incorporated herein.
31. The Respondent consents to the Order contained in Schedule "A".
32. The terms of the settlement as set out in the Order contained in Schedule "A" are as follows:
 - i. the settlement agreement dated _____, 2024, a copy of which is attached, is approved;
 - ii. pursuant to Section 134(h) of the Act, the Respondent is reprimanded;

- iii. pursuant to Section 134(1)(a) of the Act, the Respondents shall comply with, and cease contravening Nova Scotia securities laws;
- iv. pursuant to Section 135 of the Act, the Respondent shall pay an administrative penalty in the amount of Five Thousand dollars (\$5,000.00) forthwith; and
- v. pursuant to Section 135A of the Act, the Respondent shall pay costs in connection with the investigation and conduct of the proceedings before the Commission in the amount of Five Hundred dollars (\$500.00) forthwith.

PART VII – COMMITMENTS

- 33. If this Agreement is approved and the Order as set out in Schedule "A" is granted, the parties agree to waive any right to a full hearing and judicial review and appeal of this matter.
- 34. If this Agreement is approved by the Commission, the parties will not in any way make any statement, public or otherwise, that is inconsistent with the terms of this Agreement.
- 35. If this Agreement is approved by the Commission, the Respondent agrees to abide by all terms of this Agreement.
- 36. If, for any reason whatsoever, this Agreement is not approved, or the Order set forth in Schedule "A" is not granted by the Commission:
 - a. The Director of Enforcement and the Respondent will be entitled to proceed to a hearing of the allegations which are the subject matter of this Agreement unaffected by the Agreement or the settlement negotiations;
 - b. The negotiations, the terms of this Agreement, and this Agreement will not be raised in any other proceeding or disclosed to any person except with the written consent of the Director of Enforcement and the Respondent or as may otherwise be required by law; and
 - c. The Respondent agrees that it will not raise in any proceeding the Agreement or the negotiations or process of approval thereof as a basis of any attack or challenge of the Commission's jurisdiction, alleged bias, appearance of bias, alleged unfairness or any other challenge that may otherwise be available.
- 37. The Respondent acknowledges that the Director of Enforcement has the discretion to withdraw from this Agreement if, prior to the approval of this Agreement by the Commission in the view of the Director of Enforcement, additional facts or issues are discovered that cause her to conclude that it would not be in the public interest to request approval of this Agreement. In the event of such withdrawal, notice will be provided to Respondent in writing. In the event of such notice being given, the provisions of paragraph 36 in this Part will apply as if this Agreement had not been approved in accordance with the procedures set out herein.

PART VIII – DISCLOSURE OF SETTLEMENT AGREEMENT

38. The Director of Enforcement or the Respondent may refer to any or all parts of this Agreement as required by Rule 15-501 General Rules of Practice and Procedure and in the course of the Settlement Hearing. Otherwise, this Settlement Agreement and its terms will be treated as confidential by all parties to it until approved by the Commission, and forever if, for any reason whatsoever, this settlement is not approved by the Commission.

PART IX – EXECUTION OF SETTLEMENT AGREEMENT

39. This Agreement may be signed in one or more counterparts that together shall constitute a binding agreement and a facsimile or electronic copy of any signature shall be as effective as an original signature.
40. The Respondent acknowledges that Orders made by the Commission may form the basis for parallel Orders in other jurisdictions in Canada. The securities laws of some other Canadian jurisdictions may allow Orders made in this matter to take effect in those other jurisdictions automatically without notice to the Respondent.

[signature page follows]

DATED at Sydney, Nova Scotia, this 29 day of January, 2024

SIGNED, SEALED AND DELIVERED in
the presence of:

Witness:

Live Ship Ltd.

Per: Jim Gillis
Director, President, Secretary and Treasurer

DATED at Halifax, Nova Scotia, this 30 day of JANUARY, 2024

SIGNED, SEALED AND DELIVERED in
the presence of:

Witness:

Stephanie Atkinson
Director of Enforcement
Nova Scotia Securities Commission

SCHEDULE "A"

IN THE MATTER OF THE SECURITIES ACT
R.S.N.S. 1989, CHAPTER 418, AS AMENDED ("Act")

- AND -

IN THE MATTER OF LIVE SHIP LTD. (the "Respondent")

ORDER

(Sections 134, 135, 135A)

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4. pursuant to Section 135 of the Act, the Respondent shall pay an administrative penalty in the amount of Five Thousand dollars (\$5,000.00) forthwith; and
5. pursuant to Section 135A of the Act, the Respondent shall pay costs in connection with the investigation and conduct of the proceedings before the Commission in the amount of Five Hundred dollars (\$500.00) forthwith.

DATED at Halifax, Nova Scotia, this ____ day of _____, 2024.

NOVA SCOTIA SECURITIES COMMISSION

(Chair)